Saskatchewan Centennial 2005

100 YEARS OF HEART

2005-2006 PROVINCIAL BUDGET
PERFORMANCE PLAN

SASKATCHEWAN PROPERTY MANAGEMENT

Minister's Message

It is my pleasure to present Saskatchewan Property Management's 2005-06 Performance Plan.

The sustainability and maintenance of Government's capital assets is an important priority for the Province. This plan lays a foundation for ensuring the long-term protection of these assets. I am committed to completing the key actions identified in the performance plan and reporting the Department's actual progress to the people of Saskatchewan in our annual report, in July 2006.

The 2005-06 Plan continues to focus on the sustainability of Saskatchewan's government-owned facilities, the effective and efficient delivery of services, and reducing the costs of delivering these services. Cost reduction and healthy, safe buildings remain key priorities for the Department. We will continue to develop partnerships with a variety of stakeholders to create strategies for success.

As Saskatchewan marks its Centennial year in 2005 with a celebration of our past accomplishments and our exciting prospects for the future, Saskatchewan Property Management is excited about the plans it has for marking this special year. Some of the ways the Department will support and celebrate the Centennial include completion of the Wascana Lake Urban Revitalization Project and the major addition to Government House, naming several provincial government buildings, providing accommodation and purchasing support services to the 2005 Saskatchewan Centennial Office, and the placement of commemorative centennial licence plates on government vehicles.

Debra Higgins
Minister of Property Management

Who We Are

The Department of Property Management will replace the Saskatchewan Property Management Corporation (SPMC) as of April 1, 2005. Legislation was passed in the fall 2004 session of the Legislative Assembly to wind down the Corporation and transfer the assets and staff to a department of government. SPMC operated as a Treasury Board Crown corporation under *The Saskatchewan Property Management Corporation Act* since 1987. Since departments are able to operate today with greater flexibility, it is no longer necessary for SPMC to be a Treasury Board Crown corporation.

The new Department of Property Management will have the same mandate as the previous Corporation to provide property management and other support services to government departments, Crown corporations, boards, agencies and commissions. This mandate focuses on providing accommodation, property management, furnishings and supplies, transportation, purchasing, risk management, records management, telecommunications, and mail services.

By providing centralized accommodation and support services, Saskatchewan Property Management achieves efficiencies and economies of scale while providing centralized expertise that allows clients to focus on their own areas of expertise. Our vision is to provide the best property management and support services for best value to public agencies in Saskatchewan.

The Department has a staff complement of 828.9 full-time equivalent employees. Most revenue required to operate the Department comes from charging clients for centralized accommodation, project management, transportation, and government support services.

In carrying out its mandate, the Department provides a wide array of services, including:

ACCOMMODATION SERVICES

As of April 1, 2005 Saskatchewan Property Management (SPM) will have responsibility for 811 buildings located in 167 communities. The number of buildings is down from last year because it excludes a number of buildings located in provincial parks which will be transferred to Saskatchewan Environment as of April 1, 2005. This transfer will improve accountability since Environment is already responsible for maintenance and operation of these buildings. Of the 811 buildings, 540 are owned by SPM and 271 are leased. The estimated replacement value of owned space is $1.4 billion. The owned and leased space is managed primarily to accommodate the programs of government departments and agencies. These buildings cover an area of over 916,000 square metres.

SPM works with government agencies to manage changes in accommodation requirements that result from changes in government programs or changes in the manner in which the programs

are provided. SPM provides accommodation planning, construction project management, building operation and maintenance, leasing, property purchase and disposal.

TRANSPORTATION SERVICES

The Central Vehicle Agency (CVA) provides vehicles and fleet management services to a total of 330 different client groups, including executive government departments, some Crown corporations, and other publicly funded organizations. The CVA fleet averages around 4,500 vehicles.

Air Transportation Services provides transportation for elected and senior government officials and air ambulance services, under contract to the Department of Health, with a fleet of government-owned and leased aircraft.

PURCHASING

SPM provides centralized procurement services for government departments and disposes of goods when they are no longer needed. Over $100 million in purchasing activity, including service contracts, purchase orders, standing offers and delegations, is conducted annually. Overall, approximately 80 per cent of purchasing is sourced to Saskatchewan suppliers. Surplus office items are provided free of charge to community-based organizations under the Community Donation Program.

SECURITY SERVICES

Risk Management and Protective Services help clients identify and manage corporate risks by providing services in insurance acquisition, investigative services, environmental health and safety, security consulting and security systems. SPM also manages a photo identification program for government employees.

RECORDS MANAGEMENT

SPM provides a central, secure storage facility for warehousing and retrieving government documents. Based on the Government's records retention schedule, SPM shreds documents that are no longer required after approval from the Saskatchewan Archives Board. As of March 31, 2004, 123,247 boxes of government files were in storage. During the year, 3,370 boxes were approved for disposal and over 1,400 cubic metres of paper was recycled. The demand for storage has exceeded SPM's current capacity and additional storage capacity is being addressed with the installation of a new shelving system.

TELECOMMUNICATIONS

SPM co-ordinates and provides the strategic direction of telecommunication services for Government. These services include: CommunityNet, telephone services, GEMS (Government e-mail System), Blue Pages, web-based government directory, web-hosting services and data service offerings.

MAIL SERVICES

SPM provides mail handling services for government departments, most government boards, commissions, corporations and authorized public agencies to achieve economies of scale through centralization of mail handling resources. Mail is handled through 14 provincial centres and includes pick-up, sorting, delivery of Canada Post mail, metering of outgoing mail, addressing and stuffing mail, and offering volume discounts for parcel, priority courier and bulk mailings. Inter-office mail, using reusable envelopes, is co-ordinated between Regina and 26 centres, as an alternative to Canada Post.

OFFICE FURNISHINGS AND SUPPLIES

SPM provides office furnishings to government departments and public agencies. The service includes consultation, delivery, installation, and refurbishing of furniture.

The SPM stockroom provides approximately 1,000 office, paper, and janitorial products to government departments and public agencies. The Department purchases these supplies in bulk, then warehouses them for subsequent re-sale in smaller quantities to departments and public agencies.

Plan at a Glance

This is the inaugural performance plan for the new Department of Property Management; however, it reflects a continuation of the direction set by SPMC in earlier performance plans.

The performance plan will continue to evolve as strategic planning, performance management, and public reporting processes mature and experience is gained by those involved within the public service. Government priorities as well as changes to our operating environment will also be reflected in changes to the plan. The goals and objectives cover a multi-year period that will take time and focused effort to accomplish. This performance plan outlines the key actions for the 2005-06 fiscal year toward achieving these objectives.

The plan is a confirmation of the current direction and the key strategic issues regarding the state of government's infrastructure, the effective and efficient delivery of services, and the desire to reduce unit costs. Several key actions have been carried forward from last year's plan because work required on the transition to department status took precedence.

For 2005-06, the Department has filled in previously identified gaps in the performance measures used to gauge progress toward achieving our objectives. This year's plan provides specific key actions to be undertaken.

The Department will report on actual compared to planned progress at year end, in the 2005-06 Annual Report.

OUR VISION – To provide the best property management and support services for best value to public agencies in Saskatchewan.

GOAL #1

Effective and value-added service

OBJECTIVE 1 - *Cost effective services for clients*

Performance Measures:

- Price comparisons for SPM office space compared to the private sector
- Central Vehicle Agency pool price compared to Public Service Commission private vehicle usage rate
- Central Vehicle Agency pool price compared to market price

OBJECTIVE 2 - *Enhanced client service delivery*

Performance Measure:

- Per cent of clients satisfied with services received for government support services, accommodation services, transportation services, and purchasing services.

GOAL #2

Sustainable property infrastructure

OBJECTIVE 1 - *Appropriate facilities and equipment for clients*

Performance Measures:

- Per cent of facilities meeting long-term client program needs
- Average annual distance traveled per government vehicle
- Vacancy rate for office space

OBJECTIVE 2 - *Affordable and sustainable infrastructure*

Performance Measures:

- Average condition of government buildings (Facility Condition Index)
- Average age of vehicles
- Average mileage on vehicles

GOAL #3

Partnerships that benefit government and communities

OBJECTIVE 1 - *Facilitate economic development*

Performance Measure:

- Goods and information technology services sourced in Saskatchewan through SPM's Purchasing Branch

OBJECTIVE 2 - *Constructive relationships with industry*

Performance Measure:

- Satisfaction level of industry when dealing with SPM's Purchasing Branch

2005-06 Financial Overview

In providing accommodation and centralized support services to government departments and public agencies, SPM receives a portion of its funding directly from the General Revenue Fund. However, most of the Department's revenue is generated by charging departments and public agencies through lease rentals and charges for specific services such as vehicle rentals, mail services and office supplies. Charging clients the full cost of services promotes good management since departments assume the financial consequences of their program decisions. It also promotes accountability by providing the public with a more complete picture of department program expenses.

The distribution of Department spending and recoveries from internal government clients and external clients (non-General Revenue Fund) is provided below.

2005-06 ESTIMATES	*(in thousands of dollars)*
Central Management and Services	$8,265
- allocated to services	(8,265)
	0
Accommodation Services	152,307
- recoveries from clients	(143,282)
	9,025
Project Management	6,042
- allocated to departments	(6,042)
	0
Purchasing	1,949
Transportation Services	36,981
- recoveries from clients	(36,981)
	0
Government Support Services	28,525
- recoveries from clients	(28,525)
	0
Major Capital Assets	23,495
Total Appropriation	$34,469
Capital Acquisitions	(23,495)
Amortization	62
Total Expense	$11,036
FTE staff complement	828.9

Of the estimated $214.8 million to be recovered from clients, $152.7 million is from internal government clients and $62.1 million is from external clients. Administration expenses amounting to $8.3 million are included in the amounts recovered from clients to ensure full cost recovery is reflected in the prices charged for SPM services.

Saskatchewan Property Management will continue to price its services on the basis of full cost recovery. Following typical industry practices, administrative expenses of the Department (overhead costs) will continue to be distributed to service areas. However, the cost recovery basis as a department is slightly different than before because employee pension and benefit costs will now be paid by the Department of Finance, as is the case for all executive government departments. Furthermore, amortization expenses have not previously been recovered for Accommodation Services because funding for new facilities or upgrades to existing facilities were grant funded. As a department, SPM will now budget for amortization expenses and these increased costs will be reflected in accommodation charges for clients.

The changeover from a Treasury Board Crown corporation to a department has substantially changed the Estimates display. In previous years, only the annual grant funding for asset renewal, central services and wind energy were shown, while the balance of the Corporation's activities were funded by charges for various services and reported outside the General Revenue Fund. This year, the Estimates show both operating costs and recoveries from clients for services provided, as well as capital funding for vehicles, buildings and other capital investments. While funding for construction of a new Provincial Laboratory and the Regina Correctional Facility is provided for in the Estimates for the Departments of Health and Corrections and Public Safety, SPM will report the work in progress on these projects under the project management sub-vote.

105-05072/

Trends and Issues

VALUE FOR SERVICES PROVIDED

SPM was established to provide centralized accommodation and support services to government departments and public agencies to achieve economies of scale and to allow clients to focus on their own areas of expertise. In order to deliver these services in the most cost-effective and efficient manner possible, the Department must ensure that it is meeting client needs and providing the right services at the lowest possible price. To provide the lowest price possible within the public sector environment, SPM must stay abreast of the changes in the marketplace, and continually review the services provided to clients.

AGING INFRASTRUCTURE

Of the 811 buildings that SPM has responsibility for, 540 buildings are owned by the Department and have an estimated replacement value of $1.4 billion. In addition, there are buildings owned and maintained by other departments such as Highways and Transportation and Environment. The value and condition of buildings change over time due to physical deterioration. All buildings require ongoing repair and maintenance to the exterior, mechanical, heating, cooling and water systems in order to keep them in good condition. In general, the cost of maintenance rises as the infrastructure ages. SPM has a process in place to regularly assess the condition of each facility, and a capital planning process that prioritizes projects within available funding. Once a building is upgraded, client lease costs are structured so that the building can be maintained at current standards

BUILDING AND FIRE CODE REQUIREMENTS

From time to time, governments change the building, fire, and safety codes for buildings. New building design and construction incorporate current code requirements and in many cases new building construction exceeds current code requirements. However, changing code requirements can present challenges for existing buildings that were constructed in compliance under previous code requirements. There is currently a limited supply of code compliant office space in rural Saskatchewan. Upgrading buildings to meet code requirements can involve extensive and costly renovations. SPM has a process in place to identify and assess code requirements and to prioritize maintenance projects.

ENERGY CONSUMPTION

There is widespread concern about the environment and the impact of energy consumption on global warming. Reducing the amount of natural gas and electricity used to heat and light buildings saves money and also reduces harmful emissions. By installing more efficient heating, cooling and lighting systems and by incorporating energy efficiency into the design of buildings prior to construction, the overall amount of energy usage can be reduced. The Department has taken a number of steps to improve the efficiency of energy use and to reduce overall consumption of energy, including new building construction standards and energy performance retrofits. As the availability of alternative fuel vehicles that meet program needs improves, adding these types of vehicles to the government fleet will help reduce fuel consumption and greenhouse gas emissions. The Department has also committed to purchasing wind-generated electricity to meet a portion of its power requirements.

ACCESSIBILITY

People with physical disabilities can encounter obstacles when they access government buildings. Improving accessibility to existing buildings often requires significant retrofitting, while accessibility requirements can be more readily incorporated into new building construction at the planning stage. SPM is planning to upgrade accessibility in eight government buildings in 2005-06.

CHANGING TECHNOLOGY

Communication and information technology are rapidly changing and are creating new opportunities for business, government, and the public at large. The use of e-mail and the Internet have grown substantially, due in part to the widespread availability of high-speed Internet and the broadband capacity of CommunityNet. Significant advancement has also occurred in computer software that allows individuals and organizations to better integrate and use data for project and financial management purposes. In recent years, the proliferation of data and use of the Internet has led to concerns about security and privacy of government-held information. The Department is actively participating in the development of CommunityNet and telecommunication initiatives, and government-wide security and privacy measures.

STRENGTHENING THE ECONOMY

The Government purchases a wide range of goods and services in order to provide programs and services throughout the province. Many of these goods and services are acquired through SPM's centralized procurement process. A strong and healthy private sector means that Saskatchewan businesses are better able to sell their goods and services to Government. However, suppliers also need to know about government requirements and government procurement processes in order to bid on tender opportunities. SPM is responding to supplier concerns about the cost and complexity of government procurement by making it easier and

less expensive to do business with the Government through the SaskTenders website (www.sasktenders.ca) and by hosting Purchasers' Showcase events. SPM is also exploring opportunities to improve access and provide opportunities for productivity improvements through e-business using the Internet.

Changes from 2004-05 Performance Plan

As noted previously, the Saskatchewan Property Management Corporation will be discontinued as of April 1, 2005 and the assets and staff transferred to the Department of Property Management. The new Department will have the same mandate to provide accommodation and support services to government departments and public agencies. The goals and objectives in the Department's 2005-06 Performance Plan are unchanged from those published last year by Saskatchewan Property Management Corporation.

Performance measures were developed for a number of objectives so that there is at least one performance measure for each objective under the plan. The new performance measures include:

- Per cent of clients satisfied with services received for government support services, accommodation services, transportation services, and purchasing;
- Per cent of facilities meeting long-term client program needs;
- Average condition of government buildings; and,
- Satisfaction level of industry when dealing with SPM's Purchasing Branch.

In addition, the calculation of Central Vehicle Agency pool price comparisons to the Public Service Commission private vehicle usage rate and to the market price have been re-stated due to a calculation error and a change in methodology. As our performance plan continues to evolve, new measures will be added.

Goals, Objectives, Actions and Measures

The following section provides details about where SPM is headed, what we will do to achieve our objectives through key actions for the upcoming year, and how the public will know if we are successful in achieving these objectives through defined performance measures.

A number of factors impact the Department's expenses and its performance results. The cost of goods sold, construction, labour and energy costs are key cost drivers in providing accommodation and support services. The performance plan and budget are based on forecast demand and cost of providing services. Unforeseen events could necessitate changing priorities, key actions and performance results such as the price comparisons to the private sector for office space and vehicles.

GOAL #1

Effective and value-added service

OBJECTIVE 1 - *Cost effective services for clients*

As a central service provider, the Department continually identifies opportunities to make its services more effective and efficient for executive government. In doing so, it is imperative that SPM look at maintaining positive relationships with clients, developing technology as an essential support tool, capturing and passing through savings, managing the inherent risks involved, and examining the efficiency and effectiveness within the various business units.

SPM is continuing to evaluate its services and service delivery models to determine if the organization is providing the right services, at an appropriate price.

The performance measures reflect the cost effectiveness for the two most significant service areas provided by SPM to clients: accommodation services and vehicles.

Key Actions for 2005-06

- Implement building specific postal codes for incoming Canada Post mail to reduce central sorting requirements.
- Investigate electronic billing options for accommodation services provided to clients.
- Implement electronic uploading of invoices for Executive Air Service flights into accounts receivable in order to reduce data entry.

- Evaluate the impact of changes made in 2004-05 to:
  - disposal of surplus items
  - close the Echo Valley Conference Centre
  - transfer of electronic monitoring service
- Investigate opportunities to decrease unit fixed costs by providing additional services to existing clients.

What are we measuring?	Where are we starting from?
Price comparisons for SPM office space compared to the private sector	5% below private sector market price *[September, 2004]*

SPM owns and leases space in buildings on behalf of Government. SPM in turn leases this space to individual government departments for their needs. The performance measure is intended to show the cost-effectiveness of centralized accommodation services provided to government departments and agencies by comparing the gross rental rate for office space in Regina and Saskatoon to the private sector. These two areas are used for the baseline since they represent 68 per cent of SPM's total office building space, and comparative market office space information is readily available. Program space (e.g., space designed for a specific function – correctional facilities, courthouses) is excluded in this measure as the private industry does not typically own or manage program space that could be used for a comparison.

SPM's level of influence over this measure is high. SPM can influence the rates for office space by how and when it acquires accommodation, through quality specifications, timing of negotiations and Requests for Proposals, and build, buy, lease analysis/decisions.

What are we measuring?	Where are we starting from?
CVA pool price compared to Public Service Commission (PSC) private vehicle usage rate	The CVA price ($0.267/km) is 27% below the PSC's rate ($0.3673/km) *[December 2004]*

SPM acquires vehicles and rents them to government departments and other public agencies. By acquiring vehicles in large quantities and operating a central fleet of vehicles, SPM can pass through savings to clients. A pool of vehicles located throughout the province is available for short-term use. CVA charges a per-kilometre price to cover all fixed and operating costs of the vehicle. An alternative is to pay employees the private vehicle usage rate set by the PSC.

SPM's level of influence over this measure is high. SPM has significant influence over its prices for short-term vehicle usage; however, SPM has no influence over the PSC's private vehicle usage rate paid to employees.

What are we measuring?	Where are we starting from?
CVA pool price compared to market price	The CVA pool price ($0.2804/km) is 24% below the market price ($0.369/km) *[October 2004]*

SPM acquires vehicles and rents them to government departments and other public agencies. By acquiring vehicles in large quantities and operating a central fleet of vehicles, SPM can pass through savings to clients. A pool of vehicles located throughout the province is available for short-term use. CVA charges a per-kilometre price to cover all fixed and operating costs of the vehicle. Another alternative for clients is to rent vehicles in the marketplace from private sector vehicle rental companies.

The comparison is based on an average of three rental company rates for specified number of days and distances for a mid-sized vehicle. SPM has significant influence over its own prices; however, it has no influence over market prices.

OBJECTIVE 2 *- Enhanced client service delivery*

SPM provides centralized accommodation and support services to Government and public agencies. As such, we need to ensure that we provide a service delivery system to meet the needs of clients, including providing the right services, in the most cost-effective manner possible.

SPM views technology as an essential support tool and is evaluating how to best use technology to provide value-added services. In today's environment, information flows faster than ever before and SPM must position itself to respond and react faster.

By looking at technology in different ways, SPM may be able to promote economic development through e-business strategies. This is an emerging business practice, with Saskatchewan businesses currently lagging behind their competitors in other jurisdictions. This is an opportunity that may prove valuable for the Province.

Key Actions for 2005-06

- Increase the capacity for storing government records in order to meet client needs for low cost, safe storage.
- Implement a website for displaying government surplus items (vehicles and non-office items) available for sale to increase market exposure and financial returns from disposal
- Implement a new on-line access system for office supplies offered by the Distribution Centre to improve service effectiveness.

- Invest in and improve service effectiveness through the use of technology to meet client needs for access, process improvement, and service delivery. This includes:
  - ~ Implement a new financial system to improve management information and financial reporting
  - ~ Implement on-line access for clients to information on lease and space allocation and capital
  - ~ Introduce on-line access to Executive Air Services flight schedules to improve the efficiency of flight co-ordination
  - ~ Participate in the new government-wide Human Resource (HR) system to improve HR information management and reporting

What are we measuring?

Per cent of clients satisfied with service received for government support services, accommodation services, transportation services, and purchasing services.

Where are we starting from?

Government support services	93.2%
Accommodation services	84.3%
Transportation services	96.2%
Purchasing services	92.6%
Overall rating	90.6%

[December 2004]

SPM was established to provide centralized accommodation and support services to government and public agencies. SPM provides a wide variety of services and it is important that these services meet the needs of clients, provide value, and are delivered satisfactorily. A client survey is typically conducted to gauge satisfaction.

A questionnaire was distributed to 85 clients in March 2004, with 61 replies or 72 per cent response rate. Clients were asked to rate SPM's service, value for money and needs met on a four point scale (very dissatisfied, dissatisfied, satisfied, very satisfied). The performance measure indicates the percentage that were either satisfied or very satisfied with SPM services, value for money and needs met. The survey will be conducted on a bi-annual basis with the next one planned for March 2006. SPM has a high level of influence on this measure since it generally determines the nature, level, price and means of service delivery in response to client needs.

GOAL #2

Sustainable property infrastructure

***OBJECTIVE 1** - Appropriate facilities and equipment for clients*

SPM is responsible for providing most of the facilities and vehicles required by government departments to deliver their various programs. This includes providing appropriate facilities and equipment for clients. The facilities also need to be adequately maintained in order for departments to continue to meet their long-term program requirements and the vehicles need to be kept in good working order to meet the needs of clients. As well, SPM looks at options for disposing of these assets when they are no longer required.

The performance measures cover the two most significant service areas provided by SPM to clients, accommodation and vehicles.

Key Actions for 2005-06

- Identify long-term program and space requirement needs in consultation with clients. Focus will be on working with:
  - ~ Justice on court facilities in Lloydminster, Regina, and circuit points
  - ~ SIAST regarding the Wascana campus and accommodation requirements for all campuses
  - ~ Corrections and Public Safety to develop program and space requirements for correction facilities in Saskatoon and Prince Albert, and young offenders facilities across the province
- Annually refine list of core government facilities based on client needs in order to allocate limited asset renewal funding to priority facilities.
- Develop a replacement plan for the aging Cheyenne aircraft in order to meet air transportation requirements.
- Canvas clients to review vehicle requirements and identify number and type of vehicles required to meet client needs.

What are we measuring?	**Where are we starting from?**
Per cent of facilities meeting long-term client program need	80.4% *[March 2004]*

SPM is responsible for providing most of the facilities required by government departments to deliver their various programs. These facilities need to be adequately maintained in order for departments to continue to meet their long-term program requirements. As the accommodation service provider, SPM's performance in meeting client needs, service, and value expectations should be assessed. A survey was sent to 85 clients with 61 replies for a response rate of 72 per cent. Clients were asked to rate SPM's service, value for money and needs met on a four point scale (very dissatisfied, dissatisfied, satisfied, very satisfied). The performance measure

indicates the percentage that were either satisfied or very satisfied with SPM services, value for money and needs met. The survey will be conducted on a bi-annual basis with the next one planned for March 2006.

What are we measuring?	Where are we starting from?
Average annual distance traveled per government vehicle	22 557 km per vehicle *[March 31, 2004]*

SPM provides a central fleet of vehicles for government departments to help them meet their program requirements. Each year, CVA reviews vehicle requirements with departments and other public agencies and acquires vehicles in response to departments needs. SPM also disposes of surplus vehicles. The average annual number of kilometres traveled per vehicle is an indication of the extent to which these vehicles are needed and used by departments. A low number of kilometres traveled per vehicle might suggest that Government vehicles are under-utilized, while a high number of kilometres traveled per vehicle might suggest that more vehicles are required.

SPM's influence over this measure is indirect. As a service provider, CVA is responsible for providing the various types of vehicles required by departments and other public agencies; however, the clients are responsible for the use of the vehicles.

What are we measuring?	Where are we starting from?
Vacancy rate for office space	2.3% *[March 31, 2004]*

SPM is responsible for providing the office space required for government departments. This space is provided through a combination of government owned and leased buildings. While it is prudent to have some unused capacity to allow for periodic movement and changes of people and programs, SPM believes it is important to have a relatively low vacancy rate for office space since there is an ongoing cost for unused space.

This performance measure is designed to demonstrate the effectiveness of SPM in managing the space portfolio of government. Regina and Saskatoon are used for comparative purposes in establishing vacancy measurements because they collectively represent 68 per cent of SPM's total available office space.

OBJECTIVE 2 *- Affordable and sustainable infrastructure*

A key challenge is to maintain the 540 buildings owned and managed by the Department in a state that ensures future viability. Limited capital spending over a long period has resulted in a backlog of maintenance and major capital upgrading of buildings. Accordingly, the Department is challenged to plan effectively for the future state of the infrastructure and to find better ways to achieve sustainable asset management.

SPM's strategy is to concentrate expenditures on targeted core facilities that are occupied by high priority programs and which will be viable for the long-term based on facility condition, function and use. Funding for the remaining facilities will be allocated based on occupant safety and high priority regulatory codes.

The performance measures cover the two most significant service areas provided by SPM to clients: accommodation and vehicles. Further work is planned to develop a measure regarding energy performance.

Key Actions for 2005-06

- Upgrade the data in the capital asset information management system to help identify accessibility, fire safety and other legislative compliance work in Government buildings.
- Major capital and maintenance projects include:
  - 2350 Albert Street (Regina); in construction (major retrofit)
  - 1967 12th Avenue (Regina); complete construction (major retrofit)
  - Court House (Moose Jaw); complete construction (retrofit)
  - MacIntosh Mall (Prince Albert); in construction (phased retrofit)
  - 500 McLeod Street (Regina); complete construction (retrofit)
  - Air Transportation administration building (Regina); complete construction (new)
  - 3211 Albert Street (Regina); in construction (major retrofit)
  - Davies Building (Moose Jaw); complete construction (retrofit)
  - Mistasinihk Place (LaRonge); complete construction (retrofit)
  - Young Offenders facility (North Battleford); complete construction (retrofit)
  - Wascana Centre infrastructure (Regina); ongoing renewal
  - E.I. Wood Building (Swift Current); complete construction (retrofit)
  - SIAST Kelsey campus (Saskatoon); complete construction (maintenance)
  - Correctional centre (Regina); design & initial site work (new)
  - Provincial Laboratory (Regina); site selection & design
- Upgrade accessibility in eight Government buildings at an estimated cost of $1.2 million.
- Reduce energy usage in five additional provincial government buildings to achieve energy savings of 20 per cent.

What are we measuring?	Where are we starting from?
Average condition of government buildings (Facility Condition Index)	26% *[2004-05]*

To keep buildings in a good state of repair to meet government program requirements, and to protect people and the investment in government assets, SPM must continually measure the condition of the inventory of buildings that we have responsibility for. The industry measurement for facility condition is the Facility Condition Index (FCI). The lower the FCI, the better the condition of a facility; the higher it is, the greater chance the facility is showing signs of deterioration. A lower FCI is also a general indication of a lower deferred maintenance backlog.

The level of capital and maintenance funding available for government buildings will directly affect this performance measure.

What are we measuring?	Where are we starting from?
Average age of vehicles	5.5 years *[March 31, 2004]*

SPM provides a central fleet of vehicles for government departments and other public agencies to meet their program requirements. Each year, SPM acquires additional vehicles in response to client needs and also disposes of surplus vehicles. The average age of vehicles is an indication of the overall condition and sustainability of the Government's fleet of vehicles and the need for replacement.

SPM has a moderate level of influence over this measure. SPM determines the amount of funding available to purchase or lease vehicles on behalf of Government. Each year, SPM surveys clients to ascertain their upcoming vehicle requirements, including the number and type of vehicles. SPM also sets guidelines for replacement of vehicles; however, the decision whether to retain or replace a particular vehicle once it exceeds the replacement guideline rests with departments and other public agency clients.

What are we measuring?	Where are we starting from?
Average mileage on vehicles	107 735 km *[April 2003]*

SPM provides a central fleet of vehicles for government departments and other public agencies to meet their program requirements. Each year, it acquires additional vehicles in response to clients' needs and disposes of surplus vehicles. The average mileage of vehicles is an indication of the overall condition and sustainability of the Government's fleet of vehicles and the need for replacement.

SPM has a moderate level of influence over this measure. SPM determines the amount of funding available to purchase or lease vehicles on behalf of Government. Each year, SPM surveys clients to ascertain their upcoming vehicle requirements, including the number and type of vehicles. SPM also sets guidelines for replacement of vehicles; however, the decision whether to retain or replace a particular vehicle once it exceeds the replacement guideline rests with departments and other public agency clients

GOAL #3

Partnerships that benefit government and communities

OBJECTIVE 1 - *Facilitate economic development*

As Government's procurement agent, SPM is responsible for obtaining goods and information technology services on behalf of government departments using a fair, open and competitive process. Procurement through SPM's Purchasing Branch can be an effective tool in furthering provincial economic activity by developing policies and processes to make it easier and less expensive to do business with Government, and by educating local suppliers about Government's procurement processes. SPM is interested in optimizing the economic benefits from government procurement activity by obtaining the best value and by seeing local suppliers provide a high proportion of the value of goods and services used by the provincial government.

Measuring the per cent of goods and IT services sourced from Saskatchewan suppliers reflects a significant aspect of the Department's involvement in support of economic development activity; however, our involvement in major project initiatives and their resulting impact on economic activity and jobs is not captured by the current measure. Further research on an appropriate performance measure is planned.

Key Actions for 2005-06

- Promote the Community Donations Program to achieve a registration of 500 community-based organizations.
- Introduce a recycling program for surplus building materials to reduce waste and benefit the community by providing in-kind support.
- Participate in a supply chain transaction hub that routes and translates electronic messages between buyers and suppliers through a single internet connection that provides opportunities for productivity improvements for both government and suppliers.
- Enhance the capability of First Nations businesses to be suppliers for government purchases by conducting awareness sessions on the government's procurement.
- Name provincial buildings as part of Saskatchewan's 2005 Centennial.
- Develop, in conjunction with Justice, a disposal process for proceeds from crime

What are we measuring?	Where are we starting from?
Goods and information technology services sourced in Saskatchewan through SPM's Purchasing Branch	79.9% *[3 year average ending 2003-04]*

SPM is the Government's procurement agent and is responsible for obtaining goods and information technology services on behalf of government departments using a fair, open and competitive process. Procurement can be an effective tool in furthering provincial economic activity.

SPM has a moderate level of influence over this measure. SPM establishes the procurement process to obtain best value for Government and it can also encourage client departments to support Saskatchewan suppliers.

SPM can assist suppliers by educating them about government procurement processes and by making it easier and less expensive for suppliers to obtain information about procurement opportunities. SPM has no influence over the competitiveness of Saskatchewan suppliers.

OBJECTIVE 2 *- Constructive relationships with industry*

SPM works closely with the construction industry to build government facilities, and with the supplier community to provide the goods and services needed by Government. A good working relationship where we know and understand these groups makes it easier for SPM to do its job to obtain the best value for its clients.

In addition to working with clients to ensure that the goods and services required are obtained at the best value and in a timely manner, it is also important that the supplier community have confidence in the procurement process and that suppliers have open access to Government tender opportunities.

The performance measure addresses the relationship with the suppliers; however, it does not cover the relationship with the construction and real estate industries. Further research on additional performance measures to address this gap is planned.

Key Actions for 2005-06

- Provide both financial and administrative support for the Saskatchewan Construction Panel by hosting monthly co-chair meetings and organizing the semi-annual symposiums for all representatives of the construction industry.
- The Saskatchewan Construction Panel will focus on enhancing membership, introducing revisions to the government-industry Fees and Services Agreement, and researching industry trends and initiatives.

What are we measuring?	Where are we starting from?
Level of industry satisfaction when dealing with SPM's Purchasing Branch	92.6% *[December 2004]*

As the agency responsible for government procurement SPM conducts open, fair, and competitive processes to obtain goods and IT services on behalf of government departments. SPM has a responsibility to ensure that suppliers have confidence in the procurement process. A supplier survey is used to measure supplier satisfaction with SPM's procurement process conducted on behalf of government. A survey was distributed to 3,281 suppliers with 487 replies, or 14.8 per cent response rate. Suppliers were asked to use a four point rating scale (very satisfied, satisfied, dissatisfied and very dissatisfied) to rate their dealings with SPM Purchasing Branch for 13 questions. The performance measure indicates the percentage either satisfied or very satisfied when dealing with SPM Purchasing Branch. The survey will be conducted on a bi-annual basis with the next one planned for late 2006.

For More Information

Additional information is available from the following sources:

- For general information about SPM: SPM's website is http://www.spmc.gov.sk.ca/
- For feedback on this performance plan: Nadine Sisk, Director of Communications, 1840 Lorne Street, S4P 2L7, 787-9225
- For information on SPM's programs and services: Nadine Sisk, Director of Communications, 1840 Lorne Street, S4P 3V7, 787-9225